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FOR IMMEDIATE RELEASE:
February 6, 2008

TSAC Introduces Waiver, Saves Borrowers \$7 Million

NASHVILLE, TN - With the rising cost of education, and recent federal legislation changes that impact a borrower's cost to finance their educational needs, industry participants constantly have to stay focused on helping students achieve their final goal: graduation. As schools and lenders adjust to this changing market, the Tennessee Student Assistance Corporation, (TSAC) remains focused on access and affordability.

With the approval of the *College Cost Reduction and Access Act*, it has become more evident that TSAC needs to play an active role in helping students and parents. As a state agency, TSAC is committed to helping students achieve their educational goals as simply as possible.

Toward that goal, TSAC has announced to its schools and lenders that for loans guaranteed on or after March 1, 2008 and continuing through the 2008-09 academic year, TSAC will pay the one percent Federal Default Fee in its entirety on behalf of student and parent borrowers. In recognizing how busy schools can be, the fee will be applied to all schools regardless of cohort rate, retention rate, level of participation in FFELP (Unsubsidized and Subsidized Stafford, Grad PLUS and Parent PLUS loans), and regardless of the lender the borrower chooses. "We had two goals by making this decision; we wanted our implementation at the school to be as easy as possible—and in the process save millions of dollars for students", says Levis Hughes, Associate Executive Director of Loan Administration at TSAC.